

Tax Credit Program Overview

Baltimore City's Historic Tax Credit Program was established by ordinance in 1996. The program is administered by the Commission for Historical and Architectural Preservation in accordance with the Department of Finance. Under the current legislation, the program will accept applications until February 28, 2014.

Facts and Benefits

- Encourages comprehensive rehabilitation projects that significantly contribute to the character and quality of life of the historic districts.
- Approximately \$560 million dollars have been invested in Baltimore's historic properties since 1997.
- Encourages investment in historic districts and ensures quality in design and materials in these districts.
- The 10 year credit is granted on the increased assessment, directly resulting from qualifying rehabilitation work.
- The credit is fully transferable to a new owner if property is sold before the ten year life of credit.
- The program ensures the long-term improvement and health of Baltimore's historic neighborhoods.



Court House and Battle Monument, Baltimore, Md.

For information regarding the Maryland Sustainable Communities Tax Credit Program or the Federal Rehabilitation Tax Credit, please contact the Maryland Historical Trust at 410-514-7628.

For Information regarding other Property Tax Credits offered by the City of Baltimore, please visit the Department of Finance website at <http://www.baltimorecity.gov/Government/AgenciesDepartments/Finance/TaxCredits.aspx>.



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and Architectural Preservation**

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**Baltimore City
Commission for
Historical and
Architectural
Preservation**



***Tax Credit for
Historic
Restorations and
Rehabilitations***

*For more information please
contact the Tax Credit
Program Administrator*

410-396-5933

Frequently Asked Questions

GENERAL QUESTIONS

How do I know if my property is eligible for the Baltimore City Tax Credit for Historic Rehabilitations and Restorations?

To be eligible for the tax credit, a historic property must be located within a Baltimore City Historic District, National Register Historic District or be a Baltimore City Landmark or National Historic Landmark.

How is the tax credit calculated?

The credit is calculated on the increase in assessment of the property being rehabilitated, at the same rate as the property tax is calculated. Baseline for calculation is the date on the preliminary approval letter; the date of certification is the date to which it is compared. The credit is meant to offset any increased assessment, it is not a "freeze."

PRE-APPROVAL PROCESS

When do I need to submit my tax credit application?

Submit your tax credit application before you begin any work on the property, but once you know the full scope of your proposed project.

What if I have already started work- will I still be eligible for the tax credit?

*Your application must be pre-approved by CHAP **before** any work is started to ensure that it meets with CHAP Guidelines. Removal of historic materials prior to receiving pre-approval will seriously jeopardize the eligibility for our tax credit program.*

What should I include in the application?

*Please include the completed application form, a detailed description of the proposed work (including material types and treatments), and photographs of the condition of the property **prior** to any work, plans or drawings, and a \$50 check made to the Director of Finance.*

How are applications reviewed for a rehabilitation and restoration tax credit?

Each application will be reviewed carefully to ensure that the proposed work meets the CHAP Standards and Guidelines. The Standards and Guidelines can be found on the CHAP website.

I want to build a new addition to a historic property- is that covered by the tax credit?

New additions are eligible and can count towards the 25% if the work helps maintain and preserve the historic character of the main house; new additions should ideally not be larger than 30 % of the main house and should be located in the rear of the property.

I want to construct a new building in a historic district. Can I use the rehabilitation and restoration tax credit?

New buildings in historic districts are not eligible for the Baltimore City Tax Credit for Historic Rehabilitations and Restorations; owners can apply for the "New Dwelling Construction" tax credit, which is a 5 year credit, starting at 80% and graduating to 30%. Please call the Finance Department for more information.

How do I know that my project has been pre-approved?

Once your project has been pre-approved, you will receive a letter from the CHAP office. If a staff member has called with questions or changes to your application, these may be included in your letter and must be adhered to in order to receive final certification.

How long does the pre-approval process take?

The pre-approval process generally takes 2-4 weeks. Applications will not be reviewed until they are complete.

Can I make changes to my original application after the project is approved?

If you need to change your original, approved plans, please contact the CHAP office prior to making the changes so that a staff member can meet with you to go over the details, conduct a site visit, and then make the proper amendments in the file.

How long do I have to complete my project? Does the approval expire?

There is no time limit with regards to pre-approval. Once you have completed your project submit your documentation to the office for certification.

CERTIFICATION

For the final certification process what MUST be included in the material submitted to the CHAP office?

Printed, color photos of the completed project, a cost documentation with a final total and breakdown of costs, copies of building permits, and occupancy permits for a complete rehab. The cost documentation should reflect the total amount invested in the property (at least 25% of the full cash value) and should confirm that the proposed work has been paid in full.

How do I know that my project has been certified?

Once your project has been certified, you will receive a letter from the CHAP office. A member of the CHAP staff may also conduct a site visit prior to certification.

How do I know if the credit has been applied?

Once you have received the certification letter, the credit should be applied to your next assessment and property tax bill.